

Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES

Chapter 13: DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

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Maine Revised Statutes

Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES

Chapter 13: DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

Subchapter 1: GENERAL PROVISIONS

§281. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES; COMMISSIONER

The Department of Administrative and Financial Services is established as the principal fiscal department of State Government and shall exercise such powers and perform such duties as are provided by law. [1991, c. 780, Pt. Y, §20 (AMD).]

The department is under the supervision and control of the Commissioner of Administrative and Financial Services appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and to confirmation by the Legislature. The commissioner shall serve at the pleasure of the Governor. [1991, c. 780, Pt. Y, §20 (AMD).]

The department shall coordinate financial planning and programming activities of departments and agencies of the State Government for review and action by the Governor, prepare and report to the Governor and to the Legislature financial data and statistics and administer under the direction of the State Liquor and Lottery Commission the laws relating to legalized alcoholic beverages within this State. The department consists of the bureaus and organizations referenced in section 947-B, and the State Liquor and Lottery Commission. [1997, c. 373, §1 (AMD).]

SECTION HISTORY

1967, c. 490, §1 (AMD). 1969, c. 504, §9 (AMD). 1971, c. 615, §1 (RPR). 1973, c. 537, §3 (AMD). 1975, c. 771, §51 (AMD). 1985, c. 785, §A21 (RPR). 1987, c. 402, §A11 (AMD). 1991, c. 780, §Y20 (AMD). 1997, c. 373, §1 (AMD).

§282. POWERS AND DUTIES OF COMMISSIONER

The commissioner may, with the approval of the Governor, appoint a deputy commissioner, who is the chief of one of the department bureaus and shall perform the duties of the commissioner during the commissioner's absence, in addition to the deputy commissioner's regular duties. The compensation and expense of the deputy commissioner is paid from any available funds appropriated for the use of the bureau of which the deputy commissioner is chief. The commissioner may appoint and employ the bureau chiefs and the assistant to the commissioner to be under the commissioner's immediate supervision, direction and control, and to serve at the commissioner's pleasure and perform such duties as the commissioner may prescribe, except as otherwise provided by law. In addition, the commissioner may appoint an associate commissioner for administrative services who is not subject to the Civil Service Law and who serves at the pleasure of the commissioner. [2003, c. 673, Pt. C, §1 (AMD).]

The commissioner may employ such other deputies, division heads, assistants and employees as may be necessary, subject to the Civil Service Law. In addition, the commissioner may employ a Director of Compliance to carry out departmental responsibilities related to: Labor relations and labor contract compliance; human rights and affirmative action compliance; and audit guidelines and other 3rd-party compliance requirements. The Director of Compliance serves at the pleasure of the commissioner. In addition, the commissioner may employ an Associate Commissioner for Tax Policy to supervise and direct the tax

policy analysis, guidance and communications activities of the Office of Tax Policy within the Bureau of Revenue Services. The Associate Commissioner for Tax Policy serves at the pleasure of the commissioner. [2011, c. 655, Pt. I, §3 (AMD); 2011, c. 655, Pt. I, §11 (AFF).]

In the event of a vacancy in the office of the commissioner because of death, resignation, removal from office or other cause, the various bureau chiefs, deputies and assistants shall continue in office and perform such duties as have been prescribed or assigned to them, until said vacancy has been filled by the appointment and qualification of a new commissioner.

The commissioner shall have the duty and authority:

1. Aide to Governor. To serve as the principal fiscal aide to the Governor;

[1987, c. 402, Pt. A, §12 (AMD) .]

2. Financial planning. To coordinate financial planning and programming activities of departments and agencies of the State Government for review and action by the Governor;

[1977, c. 78, §10 (AMD) .]

3. Financial data and statistics. To prepare and report to the Governor or to the Legislature such financial data or statistics as may be required or requested by them;

4. Direct bureaus. To supervise and direct the activities of the bureaus that may by statute be designated as being under the Department of Administrative and Financial Services;

[2007, c. 466, Pt. A, §5 (AMD) .]

4-A. Engage in planning. To engage in short-term and long-term planning with respect to:

A. The structure and operation of the department; [1985, c. 785, Pt. A, §23 (NEW).]

B. The fiscal needs of State Government; and [1985, c. 785, Pt. A, §23 (NEW).]

C. The means by which the collection of revenues and payment of State Government obligations may be most efficiently realized; [1985, c. 785, Pt. A, §23 (NEW).]

[2009, c. 2, §2 (COR) .]

4-B. Assist other departments. To meet with other departments and agencies of State Government at least 2 times a year to discuss fiscal problems and needs of each agency and department;

[1985, c. 785, Pt. A, §23 (NEW) .]

5. Other powers and duties. To exercise such other powers and perform such other duties as may be designated by law;

[1987, c. 448, §1 (AMD) .]

6. Supervise. To supervise and direct the administration of the State Claims Commission;

[2001, c. 333, §1 (AMD) .]

7. Value of fringe benefits. To ensure that all publications that state the salary of an employee or of a position in State Government also include a statement of the dollar value of the fringe benefit package provided. For purposes of this subsection, "fringe benefits" includes an employer's cost of an employee's health insurance, dental insurance and retirement but does not include the amount paid to cover any unfunded liability;

[2009, c. 372, Pt. F, §1 (AMD) .]

8. Serve as director of Clean Government Initiative. To serve as a director, along with the Commissioner of Environmental Protection, of the Clean Government Initiative established in Title 38, section 343-H; and

[2009, c. 372, Pt. F, §2 (AMD) .]

9. Energy infrastructure benefits fund. To establish an energy infrastructure benefits fund. Except as otherwise provided by Title 35-A, section 122, subsections 1-C and 6-B or any other law, including the Constitution of Maine, the fund consists of any revenues derived from the use of state-owned land and assets for energy infrastructure development pursuant to Title 35-A, section 122. Each fiscal year, the Treasurer of State shall transfer revenues collected in the fund to the Efficiency Maine Trust for deposit by the Efficiency Maine Trust Board in program funds pursuant to Title 35-A, section 10103, subsection 4 and use by the trust in accordance with Title 35-A, section 10103, subsection 4-A. For the purposes of this subsection, "energy infrastructure" and "state-owned" have the same meanings as in Title 35-A, section 122, subsection 1.

A. [2009, c. 655, Pt. B, §1 (RP).]

B. [2009, c. 655, Pt. B, §1 (RP).]

C. [2009, c. 655, Pt. B, §1 (RP).]

D. [2009, c. 655, Pt. B, §1 (RP).]

[2011, c. 652, §1 (AMD); 2011, c. 652, §14 (AFF) .]

SECTION HISTORY

1967, c. 490, §2 (AMD). 1969, c. 504, §10 (AMD). 1971, c. 615, §2 (AMD). 1975, c. 771, §51-A (AMD). 1977, c. 78, §10 (AMD). 1977, c. 674, §3 (AMD). 1983, c. 477, Pt. E, Subpt. 22, (AMD). 1983, c. 489, §1 (AMD). 1983, c. 553, §1 (AMD). 1985, c. 785, §§A22,23 (AMD). 1985, c. 785, §B14 (AMD). 1987, c. 395, §A17 (AMD). 1987, c. 402, §A12 (AMD). 1987, c. 448, §§1,1-A (AMD). 1987, c. 769, §A10 (AMD). 1989, c. 502, §B1 (AMD). 1995, c. 37, §§3,4 (AMD). 2001, c. 333, §§1-3 (AMD). 2003, c. 673, §C1 (AMD). 2007, c. 466, Pt. A, §5 (AMD). RR 2009, c. 2, §2 (COR). 2009, c. 372, Pt. F, §§1-3 (AMD). 2009, c. 655, Pt. B, §1 (AMD). 2011, c. 652, §1 (AMD). 2011, c. 652, §14 (AFF). 2011, c. 655, Pt. I, §3 (AMD). 2011, c. 655, Pt. I, §11 (AFF).

§282-A. COMMISSIONER OF ADMINISTRATIVE AND FINANCIAL SERVICES AUTHORIZED TO EXECUTE EASEMENTS

1. Authority. The Commissioner of Administrative and Financial Services is authorized to release, grant or receive title to nonfee interests such as easements or rights-of-way in property held by state agencies over which the Department of Administrative and Financial Services has jurisdiction in accordance with the following:

A. A release of an interest in property is authorized upon the commissioner's finding that the interest no longer contributes to the value of the state property or that the release does not detract from the value of state property; [2003, c. 539, §1 (NEW).]

B. The granting of an interest in property is authorized upon the commissioner's finding that such interest does not detract from the value of state property; and [2003, c. 539, §1 (NEW).]

C. Receiving title to an interest in property is authorized upon the commissioner's finding that the value of state property is enhanced. [2003, c. 539, §1 (NEW).]

The authority granted to the commissioner under this subsection does not apply to state park lands protected by the Constitution of Maine, Article IX, Section 23 and designated in Title 12, section 598-A.

[2003, c. 539, §1 (NEW) .]

2. Appraisal. In order to release, grant or receive title to nonfee interests pursuant to subsection 1, the Commissioner of Administrative and Financial Services must have the current market value of the nonfee interest determined through an estimate of value if the value is under \$1,000 or through an independent appraisal if the value exceeds \$1,000.

[2003, c. 539, §1 (NEW) .]

SECTION HISTORY

2003, c. 539, §1 (NEW).

§283. ORGANIZATION; BUREAU CHIEFS; VACANCIES

(REPEALED)

SECTION HISTORY

1971, c. 615, §3 (AMD). 1973, c. 592, §1 (AMD). 1973, c. 620, §1 (AMD). 1975, c. 322, §1 (AMD). 1975, c. 771, §§51-B (AMD). 1977, c. 674, §4 (AMD). 1979, c. 127, §24 (AMD). 1985, c. 785, §§A24-29 (AMD). 1985, c. 785, §B15 (AMD). 1987, c. 402, §A13 (AMD). 1991, c. 780, §Y21 (RP).

§283-A. STATE LIQUOR AND LOTTERY COMMISSION

1. Commission. The State Liquor and Lottery Commission, established in Title 5, section 12004-G, subsection 14, consists of 5 members who must be residents of this State. Members are appointed by the Governor and are subject to review by the joint standing committee of the Legislature having jurisdiction over legal and veterans affairs and to confirmation by the Legislature. No more than 3 members of the commission may be members of the same political party.

[1997, c. 373, §2 (NEW) .]

2. Chair. The commission shall elect a chair from among its members.

[1997, c. 373, §2 (NEW) .]

3. Eligibility of members. A person is not eligible for appointment as a member of the commission or as an employee of the commission if that person:

A. Has any official, professional or other connection with or owns any stock in a corporation interested either directly or indirectly in the manufacture or sale of liquor; or [1997, c. 373, §2 (NEW).]

B. Has been convicted or adjudicated guilty of violating any state or federal law regulating the manufacture, sale or transportation of liquor. [1997, c. 373, §2 (NEW).]

[1997, c. 373, §2 (NEW) .]

4. Terms; vacancies. Members of the commission serve 3-year terms. Vacancies must be filled for the unexpired term in the same manner as the original appointment.

[1997, c. 373, §2 (NEW) .]

5. Meetings. The commission shall meet at the call of the chair and at least once each month with the Director of the Bureau of Alcoholic Beverages and Lottery Operations.

[1997, c. 373, §2 (NEW) .]

6. Quorum. An action of the commission is not binding unless taken at a meeting at which at least 3 of the 5 members are present and vote in favor of the action.

[1997, c. 373, §2 (NEW) .]

7. Compensation. Members of the commission are entitled to compensation as provided in chapter 379. Members may not be compensated for more than 25 meetings per year, except for the chair who may be compensated for up to 30 meetings per year.

[1997, c. 373, §2 (NEW) .]

8. Removal. A member of the commission may be removed by the Governor on the address of both branches of the Legislature or by impeachment.

[1997, c. 373, §2 (NEW) .]

SECTION HISTORY

1997, c. 373, §2 (NEW) .

§284. DIVISION OF FINANCIAL AND PERSONNEL SERVICES

The Division of Financial and Personnel Services is established to provide assistance to the Commissioner of Administrative and Financial Services and to the agencies within the department in personnel matters, budgeting and financial matters, purchasing and clerical and support services, and to perform such other duties as the commissioner may designate. [1991, c. 780, Pt. Y, §22 (AMD) .]

SECTION HISTORY

1985, c. 819, §A2 (NEW). 1991, c. 780, §Y22 (AMD) .

Subchapter 2: STATE EMPLOYEE HEALTH INSURANCE PROGRAM

§285. GROUP HEALTH PLAN

A group health plan is available to state employees and other eligible persons, subject to the following provisions. [2001, c. 439, Pt. XX, §1 (AMD) .]

1. Eligibility; generally. The following persons are eligible for a group health plan:

A. Each appointed or elective officer or employee of the State who is eligible for membership in the Maine Public Employees Retirement System, Legislative Retirement Program or the State Police Retirement System; [2011, c. 1, §4 (COR) .]

A-1. Any employee of the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf, unless a different health program is established by collective bargaining agreement or otherwise consistent with applicable law; [2005, c. 279, §1 (AMD) .]

A-1. (REALLOCATED TO T. 5, §285, sub-§1, ¶A-2) [2001, c. 1, §7 (RAL); 2001, c. 374, §1 (NEW).]

A-2. (REALLOCATED FROM T. 5, §285, sub-§1, ¶A-1) Any employee of the Maine Military Authority; [2001, c. 1, §7 (RAL).]

B. Any member of the judiciary; [1993, c. 16, §1 (AMD).]

B-1. Any member of the former Workers' Compensation Commission as follows:

(1) A member who retired prior to January 1, 1993; and

(2) For the period of employment, a member who is an employee of the Workers' Compensation Board between January 1, 1993 and December 31, 1993; [1993, c. 16, §2 (NEW).]

C. [1987, c. 221, §1 (RP).]

D. Any employee of the Maine State Employees Association; [1983, c. 692, §1 (NEW).]

E. Any employee of Council 74 of the American Federation of State, County and Municipal Employees; [1983, c. 692, §1 (NEW).]

F. Any employee of the Maine Turnpike Authority; [1985, c. 695, §4 (AMD).]

F-1. Any employee of the Maine Community College System; [1989, c. 443, §6 (AMD); 2003, c. 20, Pt. OO, §2 (AMD); 2003, c. 20, Pt. OO, §4 (AFF).]

F-2. Any employee of the Maine Maritime Academy; [1993, c. 410, Pt. L, §9 (AMD).]

F-3. Any employee of the Maine Public Employees Retirement System; [1997, c. 80, §1 (NEW); 1997, c. 455, §2 (AMD); 2007, c. 58, §3 (REV).]

F-4. Any member of the Maine National Guard performing state active service pursuant to Title 37-B, section 181-A, subsection 4 or 5; [1999, c. 152, Pt. E, §1 (AMD).]

F-5. Any employee of the Northern New England Passenger Rail Authority; [1999, c. 152, Pt. E, §2 (NEW).]

F-6. Any employee of the Maine Port Authority; [2007, c. 134, §1 (NEW).]

F-7. Any employee of a regional site of the Child Development Services System under Title 20-A, section 7209, if the group health plan is agreed to in collective bargaining and funds are available; [2009, c. 1, §5 (COR).]

F-8. Any employee of the Finance Authority of Maine; [2009, c. 571, Pt. NN, §1 (NEW).]

F-9. Any employee of the Maine School of Science and Mathematics; [2011, c. 67, §1 (NEW).]

F-10. Any employee of the Small Enterprise Growth Board; [2011, c. 514, §1 (NEW).]

G. Subject to subsection 1-A, employees in any of the categories denominated in paragraphs A to F-1 and paragraph F-3 who:

(1) On April 26, 1968, have retired and who were covered under group health plans that by virtue of Public Law 1967, chapter 543 were terminated;

(2) After April 26, 1968, retire and who on the date of their retirement are currently enrolled in this group health plan as employees;

(3) After December 2, 1986, and after reaching normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine Public Employees Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986;

(4) After December 2, 1986, and not yet normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine Public Employees Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986; or

(5) After January 1, 1999, terminate employment under which they were eligible for the group health plan but do not retire at that time and who satisfy the requirements of subsection 1-A, paragraph D or paragraph E; [2001, c. 439, Pt. XX, §2 (AMD); 2007, c. 58, §3 (REV).]

H. A blind person operating a vending facility pursuant to Title 26, section 1418-F under the direction of the Department of Labor, Division for the Blind and Visually Impaired; [2001, c. 667, Pt. E, §1 (AMD).]

I. Any licensed foster parent caring for a child or children in the foster parent's residence whose care is reimbursed through the Department of Health and Human Services for the period during which the child or children are in that foster parent's care; [2011, c. 438, §1 (AMD).]

J. Legislative employees that are recipients of retirement allowances from the Maine Public Employees Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42; and [2011, c. 438, §2 (AMD).]

K. Any employee of a school administrative unit as defined in Title 20-A, section 1, subsection 26 or of an educational advisory organization as described in Title 30-A, section 5724, subsection 9. [2011, c. 438, §3 (NEW).]

[2011, c. 514, §1 (AMD) .]

1-A. Eligibility; retirees. Any person otherwise eligible pursuant to subsection 1, paragraph G, must in addition, in order to be eligible under this section:

A. If retiring on a disability retirement, have participated in the group health plan immediately prior to retirement; [1989, c. 776, §1 (AMD).]

B. If retiring but not retiring on a disability retirement, have participated, as an employee, in the group health plan for at least one year immediately prior to retirement; [1997, c. 652, §2 (AMD); 1997, c. 652, §4 (AFF).]

C. If eligibility is based upon subsection 1, paragraph G, subparagraph (3), have participated in the group health plan for at least one year immediately prior to ceasing to be a member of the Legislature; [1997, c. 652, §2 (AMD); 1997, c. 652, §4 (AFF).]

D. If terminating employment but not retiring at that time, have 25 years of creditable service under chapter 423, subchapter IV and remain a member of the Maine Public Employees Retirement System, make a one-time election to continue coverage from the date of termination until retirement and pay the cost of the coverage plus the cost incurred by the Division of State Employee Health Insurance in administering coverage under the plan. If a terminated employee who elects coverage under this paragraph fails to pay the cost of coverage and any administrative costs in the amount and manner determined by the division, the coverage may be cancelled in accordance with the requirements of Title 24 and Title 24-A. Regardless of election of coverage or cancellation of coverage under this paragraph, an employee terminating employment as provided in this paragraph may elect coverage upon retirement under paragraph E; or [1997, c. 652, §2 (NEW); 1997, c. 652, §4 (AFF); 2007, c. 58, §3 (REV).]

E. If retiring and not in service immediately prior to retirement, have at least 25 years of creditable service under chapter 423, subchapter IV and make a one-time election at retirement to rejoin the plan. Coverage of preexisting conditions upon rejoining the plan under this paragraph is governed by Title 24-A, chapter 36. The payment provisions of subsection 7 apply to retirees exercising the option under this paragraph. [1997, c. 652, §2 (NEW); 1997, c. 652, §4 (AFF).]

[1997, c. 652, §2 (AMD); 1997, c. 652, §4 (AFF); 2007, c. 58, §3 (REV) .]

1-B. Ineligibility. Except as provided in subsection 1, paragraph K and subsection 11-A, members of the Maine Municipal Association and employees of counties and municipalities and instrumentalities thereof, including quasi-municipal corporations, are not eligible to participate in the group health plan under this section.

[2011, c. 438, §4 (AMD) .]

1-C. Status of employees who have retired and returned to covered employment under Maine Public Employees Retirement System. For purposes of participation in the state employee health insurance program pursuant to this section or in dental insurance coverage offered by the State, recipients of a service retirement benefit under the Maine Public Employees Retirement System who are retired employees and who are reemployed as state employees must be treated as retirees under subsection 1-A for purposes of eligibility for coverage under the group plan.

[2005, c. 21, §1 (NEW); 2007, c. 58, §7 (REV) .]

2. Coverage. Each state employee to whom this section applies is eligible for a group health plan as provided in Title 24-A, sections 2802 to 2812, including major medical benefits or through a self-funded alternative. The provisions of the group insurance policy or policies or the self-funded alternative must be determined, insofar as the provisions are not inconsistent with terms and conditions contained in collective bargaining agreements negotiated pursuant to Title 26, chapter 9-B, by the State Employee Health Commission as provided in section 285-A. The master policy for the group health plan must be held by the Commissioner of Administrative and Financial Services.

[1991, c. 780, Pt. Y, §23 (AMD) .]

3. Enrollment. Any employee eligible under this section may join within the first 60 days of employment or during a declared open enrollment period. The filing of necessary applications shall be the responsibility of the employer. Effective dates under this section shall be at the discretion of the commission.

[1987, c. 731, §3 (AMD) .]

3-A. Coverage under group health insurance plan for spouse and dependents after death of state employee. If the spouse or other dependents of an employee in any of the categories denominated in subsection 1, paragraphs A to F-5 are covered by the group health plan and the employee dies while employed in that capacity, the spouse or dependent must have the opportunity to continue coverage under the plan after the death of the employee by making the premium payment for the cost of that coverage. In the case of underage dependent children, coverage must be available at least until the dependent children reach 19 years of age.

[2001, c. 341, §1 (NEW) .]

3-B. Enrollment of spouse and dependents of retirees. Effective January 1, 2003, a retiree eligible for participation in the group health insurance plan under this section may enroll a spouse and dependents in the group plan as follows:

A. Upon retirement, the retiree may enroll a spouse and dependent or dependents for coverage under the plan effective on the date of retirement; or [2001, c. 641, §1 (NEW) .]

B. Subsequent to retirement, the retiree may enroll a spouse and dependent or dependents for coverage under the plan if:

- (1) At the time of retirement, the retiree designated in writing the name of the spouse and dependent or dependents to be enrolled at a future date; and
- (2) The spouse and dependent or dependents can demonstrate coverage for at least 18 months immediately prior to enrollment under another health insurance plan or can demonstrate that health insurance coverage for that person pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 under a prior plan has been exhausted. [2001, c. 641, §1 (NEW) .]

[2001, c. 641, §1 (NEW) .]

3-C. Retirees may decline coverage and reenroll. A retiree eligible for a group health plan under subsection 1, paragraph G may elect to decline or to withdraw from coverage under the plan and to reenroll in the plan at a later date pursuant to the provisions of this subsection.

A. The retiree must demonstrate that the retiree was covered under this plan or another health insurance plan for at least 18 months immediately prior to reenrollment or that health insurance coverage for that person pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 under a prior plan has been exhausted. [2003, c. 214, §1 (NEW) .]

B. Any conditions on eligibility or coverage under subsection 1-A, paragraph D or E continue to apply at the time of reenrollment. [2003, c. 214, §1 (NEW) .]

C. The retiree may reenroll in the same contract type in which the retiree was enrolled at the time the retiree declined or withdrew from coverage, except for any change in contract type allowed under subsection 3-B. [2003, c. 214, §1 (NEW) .]

D. An election under this subsection, which may be made only once, must be made either:

- (1) At the time of retirement; or
- (2) Following retirement, provided the person had elected at the time of retirement to be covered by the state program. [2003, c. 214, §1 (NEW) .]

E. If a spouse or dependent of the retiree was enrolled in the plan at the time the retiree withdrew pursuant to this subsection, the spouse or dependent may reenroll if the spouse or dependent meets the 18-month coverage criteria set forth in paragraph A. A spouse or dependent who was not enrolled at the time the retiree withdrew may enroll only if that person meets the criteria set forth in subsection 3-B, paragraph B. [2003, c. 214, §1 (NEW) .]

This subsection does not apply to persons who are reemployed by the State following retirement as provided in Public Law 2001, chapter 442.

[2003, c. 214, §1 (NEW) .]

3-D. Coverage under group health insurance plan for spouse and dependents after death of retiree.

If the spouse or other dependents of a retiree who is eligible pursuant to subsection 1, paragraph G and subsection 1-A are covered by the group health plan and the retiree dies while enrolled in the group health plan, the spouse or dependents must have the opportunity to continue coverage under the plan after the death of the retiree by making the premium payment for the cost of that coverage. In the case of underage dependent children, coverage must be available at least until the dependent children reach 19 years of age.

[2005, c. 67, §1 (NEW) .]

4. Payroll deduction.

[1975, c. 90, §1 (RP) .]

5. Purchase of policies. The commission shall purchase, by competitive bidding, from one or more insurance companies, nonprofit organizations, 3rd-party administrators or any organization necessary to administer and provide a health plan, a policy or policies or contract, to provide the benefits specified by this section. The purchase of policies by the commission must be accomplished by use of a written contract that must be fully executed within 90 calendar days of notification of bid acceptance from the commission to the insurer. In extenuating circumstances, the Commissioner of Administrative and Financial Services may grant a waiver to that 90-day limit. Notwithstanding this subsection, with the consent of the policyholder and of the insurer and at the sole discretion of the commission, existing policies of insurance covering at least 1,000 of the employees defined as eligible by this section may be amended to provide the benefits specified by this section and assigned to the Commissioner of Administrative and Financial Services for the benefit of all those eligible under this section. The company or companies or nonprofit organizations must be licensed under the laws of the State, when applicable. The policy provisions are subject to and as provided for by the insurance laws of this State, when applicable. Notwithstanding any other provisions of law, the term of a contract executed with a successful bidder may not exceed 3 years.

[1995, c. 368, Pt. G, §1 (AMD) .]

6. Master policy and certificates. The insurance company, companies or nonprofit organizations or the Commissioner of Administrative and Financial Services shall furnish the usual master policy and certificates. Each covered participant must receive a certificate setting forth the benefits to which the participant is entitled, to whom payable, to whom claims must be submitted, and summarizing the provisions of the policy principally affecting the participant.

[1991, c. 780, Pt. Y, §24 (AMD) .]

7. Payment by State. Except as otherwise provided in this subsection, the State, through the commission, shall pay health plan premiums in accordance with this subsection.

A. Until October 1, 2009, for employees, the State shall pay 100% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. [2009, c. 213, Pt. GG, §1 (NEW) .]

B. Beginning October 1, 2009 and until July 1, 2010, the State shall pay a share of the individual premium for the standard plan identified and offered by the commission as follows.

(1) For an employee whose base annual rate of pay is projected to be less than or equal to \$30,000 on July 1, 2009, the State shall pay 100% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(2) For an employee whose base annual rate of pay is projected to be greater than \$30,000 and less than \$80,000 on July 1, 2009, the State shall pay 95% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(3) For an employee whose base annual rate of pay is projected to be \$80,000 or greater on July 1, 2009, the State shall pay 90% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. [2009, c. 213, Pt. GG, §1 (NEW) .]

C. Beginning July 1, 2010, except as provided in subsection 7-A, the State, through the commission, shall pay a share of the individual premium for the standard plan identified and offered by the commission as follows.

(1) For an employee whose base annual rate of pay is less than or equal to \$30,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 95% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(2) For an employee whose base annual rate of pay is greater than \$30,000 and less than \$80,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 90% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission.

(3) For an employee whose base annual rate of pay is \$80,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the State shall pay 85% of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. [2013, c. 276, §1 (AMD).]

D. For Legislators, the State shall pay 50% of the health plan premium for dependent coverage. [2009, c. 213, Pt. GG, §1 (NEW).]

E. For a person appointed to a position after November 1, 1981 who is employed less than full time, the State shall pay a share of the employee's share of the individual premium reduced pro rata to reflect the reduced number of work hours. [2009, c. 213, Pt. GG, §1 (NEW).]

F. The State may not pay any portion of the health plan premium for a blind person eligible for the group health plan under subsection 1, paragraph H or for a licensed foster parent eligible for the group health plan under subsection 1, paragraph I. [2009, c. 213, Pt. GG, §1 (NEW).]

G. For persons who were first employed before July 1, 1991, the State shall pay 100% of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G. [2009, c. 213, Pt. GG, §1 (NEW).]

H. For persons who were first employed by the State after July 1, 1991, the State shall pay a pro rata share portion of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G based on the total number of years of participation in the group health plan prior to retirement as follows:

(1) For an employee with 10 or more years of participation, the state portion is 100% of the group health plan premium.

(2) For an employee with at least 9 but less than 10 years of participation, the state portion is 90% of the group health plan premium.

(3) For an employee with at least 8 but less than 9 years of participation, the state portion is 80% of the group health plan premium.

(4) For an employee with at least 7 but less than 8 years of participation, the state portion is 70% of the group health plan premium.

(5) For an employee with at least 6 but less than 7 years of participation, the state portion is 60% of the group health plan premium.

(6) For an employee with at least 5 but less than 6 years of participation, the state portion is 50% of the group health plan premium.

(7) For an employee with less than 5 years of participation, there is no contribution by the State. [2009, c. 213, Pt. GG, §1 (NEW).]

I. For persons who were first employed by the State on or after July 1, 2011, the State shall pay a pro rata portion of only the retiree's share of the premiums for the standard plan identified and offered by the commission and available to the retiree, as authorized by the commission for persons who were previously eligible for this health plan pursuant to subsection 1, paragraph A and who have subsequently become eligible pursuant to subsection 1, paragraph G based on the total number of years of participation in the group health plan prior to retirement as follows.

(1) For an employee with at least 10 but less than 15 years of participation, the state portion is up to 50% of the group health plan premium.

(2) For an employee with at least 15 but less than 20 years of participation, the state portion is up to 75% of the group health plan premium.

(3) For an employee with at least 20 years of participation, the state portion is up to 100% of the group health plan premium.

(4) For an employee with less than 10 years of participation, there is no contribution by the State. [2011, c. 380, Pt. V, §1 (NEW); 2011, c. 380, Pt. V, §7 (AFF).]

J. Those state employees that retire after January 1, 2012, or those state employees employed as teachers in the unorganized territory or the Maine Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf that retire after July 1, 2012, under the provisions of section 17851, subsections 1-B, 1-C, 2-B, 2-C and 3 shall contribute 100% of the individual premium until such time as the retiree reaches normal retirement age. [2011, c. 380, Pt. V, §1 (NEW); 2011, c. 380, Pt. V, §7 (AFF).]

K. The total premium increase for active and retired state employee health insurance is capped at the fiscal year 2010-11 funding level for the fiscal years ending June 30, 2012 and June 30, 2013. The total premium increase for the fiscal years ending June 30, 2014 and June 30, 2015 is limited to no more than 1.5 percentage points per year. The total premium increase for fiscal years ending after June 30, 2015 is limited to no more than any percentage increase in the Consumer Price Index as defined in section 17001, subsection 9 plus 3%. [2013, c. 368, Pt. H, §1 (AMD).]

L. The provisions of paragraphs I and J do not apply to those individuals who are receiving or who have received retirement benefits under section 17907 or section 17929. [2011, c. 540, §1 (AMD); 2011, c. 540, §3 (AFF).]

Pursuant to Title 20-A, section 12722, subsection 5, this subsection applies to participants in the defined contribution plan offered by the Maine Community College System Board of Trustees under Title 20-A, section 12722.

[2013, c. 276, §1 (AMD); 2013, c. 368, Pt. H, §1 (AMD) .]

7-A. Health credit premium program. Notwithstanding subsection 7, paragraph C, the State may pay a greater proportion of the total cost of the individual premium for the standard plan identified and offered by the commission and available to the employee as authorized by the commission. The commission shall develop a health credit premium program whereby employees are provided incentives to engage in healthy behaviors in an effort to improve the health status of the state employee population and to help reduce costs to the state employee health insurance program. The commission shall define benchmarks for healthy behaviors that, if met by an individual employee, result in the State's paying a greater share of the individual premium. Adjustments to the state share of the individual premium must be applied once each year in advance of the beginning of the plan year.

The benchmarks developed by the commission must provide 2 discrete levels for the state share of the individual premium as follows.

A. For employees whose base annual rate of pay is less than or equal to \$30,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 100% or 95%. The state share is determined by the specific benchmarks met by the employee. [2013, c. 276, §2 (AMD) .]

B. For employees whose base annual rate of pay is greater than \$30,000 and less than \$80,000 on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 95% or 90%. The state share is determined by the specific benchmarks met by the employee. [2013, c. 276, §2 (AMD) .]

C. For employees whose base annual rate of pay is \$80,000 or greater on July 1st of the state fiscal year for which the premium contribution is being determined, the health credit premium program must provide the individual employee meeting the specified benchmarks with the opportunity to have the state share of the individual premium paid at 90% or 85%. The state share is determined by the specific benchmarks met by the employee. [2013, c. 276, §2 (AMD) .]

[2013, c. 276, §2 (AMD) .]

7-B. Provision for alternative cost-savings initiatives. If the commission fails to develop and implement the health credit premium program as specified in subsection 7-A, or if the health credit premium program fails to generate the savings required to maintain the fiscal balance in the state employee health insurance program, the commission shall develop and implement changes to the benefit structure of the standard plan in order to satisfy the need for fiscal stability.

[2009, c. 213, Pt. GG, §3 (NEW) .]

8. Payment by Maine State Retirement System for persons first employed before July 1, 1991.

[1995, c. 368, Pt. G, §3 (RP) .]

8-A. Payment by Maine State Retirement System for persons employed after July 1, 1991.

[1995, c. 368, Pt. G, §4 (RP) .]

9. Restrictions on self-insured programs. The following restrictions apply to self-insured group health or dental plans.

A. To the extent that the State assumes the risk with respect to any program provided for in this section, the State shall maintain a reserve at least equal to the sum of:

- (1) An amount estimated to be necessary to pay claims and administrative costs for the assumed risk for 2 1/2 months; and
- (2) The amount determined annually by a qualified actuary to be necessary to fund the unpaid portion of ultimate expected losses, including incurred but not reported claims, and related expenses incurred in the provision of benefits for eligible participants, less any credit, as determined by a qualified actuary, for excess or stop-loss insurance.

The reserve must be maintained in the fund provided for in section 286. If the State self-insures for more than one program, a reserve meeting the requirements of this paragraph must be maintained for each program. [1989, c. 776, §1 (NEW) .]

B. The State may purchase excess or stop-loss insurance for any program, with attachment levels and limits as recommended by a qualified actuary. [1989, c. 776, §1 (NEW) .]

C. Paragraph A does not apply to a program in the first 2 years after the program is changed from a fully insured program to a fully or partially self-insured program. Before a program may begin its first year of operation:

- (1) The reserve fund must contain a reserve at least equal to the amount estimated to be necessary to pay the claims and administrative costs with respect to the assumed risk for one full month; and
- (2) The rate structure of the program, as certified by a qualified actuary, must be designed to enable the fund to attain the following reserve levels:
 - (a) By the end of the first year of the program, the reserve required by paragraph A, subparagraph (2), and an amount estimated to be necessary to pay claims and administrative costs for the assumed risk for 2 full months; and
 - (b) By the end of the 2nd year of the program, the reserve required by paragraph A, subparagraph (2), and an amount estimated to be necessary to pay claims and administrative costs for the assumed risk for 2 1/2 full months.

If the State purchases stop-loss or excess insurance with respect to the risk, the required reserve is reduced by the credit specified in paragraph A. A self-insurance program may not continue if the reserve fund with respect to that program does not contain the amounts set forth in subparagraph (2) by the time limits established. [1989, c. 776, §1 (NEW).]

D. For purposes of paragraphs A, B and C, a "qualified actuary" is an actuary who is a member of the American Academy of Actuaries qualified as to health reserving methodologies. [1989, c. 776, §1 (NEW).]

E. The commission may not enter into a contract with a 3rd-party administrator that has not demonstrated compliance with all applicable state laws, and that is not, at the time of entering into the contract, administering a health plan or providing health care coverage for a total number of lives equal to the number that would be covered by the state contract. [1989, c. 776, §1 (NEW).]

F. This paragraph is effective only if no other applicable state law requires bonding of 3rd-party administrators.

- (1) Every applicant to provide service as a 3rd-party administrator for this program shall file with the proposal, and shall maintain in force while representing the state program, a fidelity bond in favor of the Treasurer of State executed by a surety company for the benefit of the State or beneficiaries of the program. The bond must be continuous in form and in one of the following amounts:

- (a) For an administrator that collects contributions and premiums for the program but does not administer or pay claims, the greater of \$50,000 or 5% of contributions and premiums projected to be received or collected for the following plan year from the State or from persons covered by the program, but not to exceed \$1,000,000;
- (b) For an administrator that administers and pays claims, but does not collect premiums and contributions, the greater of \$50,000 or 5% of the claims and claim expenses projected to be held for the following year to pay claims and claim expenses for persons covered by the program, but not to exceed \$1,000,000; or
- (c) For an administrator that collects premiums and contributions and administers and pays claims, the greater of the amounts determined under division (a) or (b), but not to exceed \$1,000,000. [1989, c. 776, §1 (NEW).]

G. Any contract entered into by the State must provide for coverage that meets the same level of benefits as those that would be required by state law if the coverage was provided by a health insurance plan governed by Title 24 or Title 24-A. [1989, c. 776, §1 (NEW).]

[1989, c. 776, §1 (NEW) .]

10. Commission not insurer. The commission or other entity operating any self-funded plan pursuant to this section is not an insurer, reciprocal insurer, or joint underwriting association under the laws of the State. The administration of such a program by the director of the employees health insurance program does not constitute doing the business of insurance.

[1989, c. 776, §1 (NEW) .]

11. Coverage for persons eligible under federal Trade Adjustment Assistance Reform Act of 2002.

The Department of Administrative and Financial Services, Division of Employee Health and Benefits may provide, through a qualified insurance company, a group health plan product for individuals certified to receive federal assistance in paying for health coverage under the terms of the health coverage tax credit program within the federal Trade Adjustment Assistance Reform Act of 2002, Public Law 107-210. Certification of eligibility is made by the Department of Labor. Individuals may enroll eligible dependents. Individuals eligible for enrollment in this group health plan remain eligible for enrollment and coverage through the duration of their federal trade adjustment assistance eligibility and for one month after their federal trade adjustment assistance eligibility status ends.

Any person who is receiving a benefit payment from the federal Pension Benefit Guaranty Corporation and who has attained the age of 55, but who is not eligible for Medicare benefits, may also enroll in the group health plan. These individuals may enroll eligible dependents.

The eligibility requirements under the federal Trade Adjustment Assistance Reform Act of 2002, Public Law 107-210 apply to persons enrolling in the group health plan provided pursuant to this subsection.

Premium rates must be established to reflect the costs of providing insurance coverage. Premium payments must be provided by the United States Department of Labor and individual enrollees. The division may accept any funds allocated under the federal Trade Adjustment Assistance Reform Act of 2002 and other sources in order to pay premiums and to administer the program.

[2003, c. 348, §1 (NEW) .]

11-A. Coverage for retired law enforcement officers and firefighters. A retired county or municipal law enforcement officer or retired municipal firefighter, as defined in section 286-M, subsection 2, who participates in an employer-sponsored retirement program and, prior to July 1, 2007, was enrolled in a self-insured health benefits plan offered by the employing county or municipality may, if the requirements of this subsection are met, enroll in a group health plan administered pursuant to this section that provides coverage for the retired county or municipal law enforcement officer or retired municipal firefighter effective no earlier than July 1, 2007.

A. A retiree who fails to enroll in a group health plan pursuant to this subsection is not otherwise eligible to enroll in such a plan and is not eligible for the premium subsidy provided pursuant to this subsection for enrollment in any other health plan. Retirees may enroll themselves, their spouses or their dependents in a group health plan during the following time periods, as applicable.

(1) When the effective date of retirement from the county or municipality is on or before May 1, 2007, the retiree must enroll in the plan before July 1, 2007.

(2) When the effective date of retirement from the county or municipality is after May 1, 2007, the retiree must enroll in the plan no later than 60 days following the effective date of retirement from the county or municipality.

(3) Notwithstanding the requirements of subparagraphs (1) and (2), when the retiree, the retiree's spouse or the retiree's dependent experiences an involuntary loss of other health insurance coverage carried as of July 1, 2007 or 60 days following the date of the retiree's retirement, whichever is later, the retiree may elect to enroll in the plan no later than 60 days after the effective date of the loss of that coverage. Involuntary loss of coverage does not include a loss of coverage arising as a result of nonpayment of premiums. [2005, c. 636, Pt. A, §2 (NEW) .]

B. Eligible persons enrolling in a group health plan in which the retiree enrolls pursuant to this subsection are responsible for the premium payment associated with participation in the plan to the extent such an obligation exists following application of any premium subsidy. Failure to remit premium payments in the manner required by the administration policies of the group health plan must result in disenrollment from the plan. [2005, c. 636, Pt. A, §2 (NEW).]

C. The State shall pay a premium subsidy that equals the dollar amount equivalent to the highest premium subsidy provided in accordance with section 286-M, subsection 6 or 45% of the cost of the retiree's share of the individual premium for the standard plan identified and offered under the group health insurance plan in which the retiree enrolls pursuant to this subsection, whichever is less. A retiree electing to enroll a spouse or dependent in the plan is responsible for payment of 100% of the cost of such coverage, in addition to that portion of the retiree's individual premium cost not contributed by the State. [2005, c. 636, Pt. A, §2 (NEW).]

[2005, c. 636, Pt. A, §2 (NEW) .]

12. Contractual commitment to health insurance for retirees. Effective April 1, 2004, to each vested employee as defined in this subsection, the State makes solemn contractual commitments as set forth in paragraph C, protected under the contract clauses of the Constitution of Maine, Article I, Section 11 and the United States Constitution, Article I, Section 10.

A. For purposes of this subsection, "vested employee" means an employee in a category described in subsection 1, paragraph A, F, F-1, F-2 or F-3 who, on or after April 1, 2004, meets the applicable creditable service requirement for eligibility to receive a retirement benefit, at the applicable age if so required, under one of the following:

- (1) Section 851, which governs legislative retirement;
- (2) Section 17851, which governs the regular state employee plan;
- (3) Section 17851-A, subsection 2, which governs state special plans;
- (4) Section 18451, which governs participating local district regular plans;
- (5) Section 18453, which governs participating local district special plans; or
- (6) The terms of a retirement plan provided to employees pursuant to section 18252-B. [2003, c. 673, Pt. DDDD, §1 (NEW).]

B. For purposes of this subsection, "time of vesting" means, for each employee, the date on which that employee met the creditable service requirement for eligibility to receive a retirement benefit, at the applicable age if so required, as set forth in paragraph A, subparagraphs (1) to (6). [2003, c. 673, Pt. DDDD, §1 (NEW).]

C. The State makes solemn contractual commitments under this subsection that, with respect to any group health plan offered by the State:

- (1) Eligibility criteria for a vested employee or a family member of a vested employee to participate in a group health plan under this section after retirement will be no more restrictive than eligibility criteria applicable to that employee or family member at the time of vesting;
- (2) The state contribution toward the cost of the premium for any group health plan offered by the State for a retired vested employee, as a percentage of the cost of coverage, is not less than that provided at the time of vesting; and
- (3) The group health plans offered in each plan year to retired vested employees under this section will be the same as or substantially similar to the group health plans offered to active employees in that same plan year. The State Employee Health Commission shall determine whether plans are substantially similar. [2003, c. 673, Pt. DDDD, §1 (NEW).]

D. This subsection does not create a contractual commitment on the part of the State to offer group health plans or to maintain coverage for a specific type of benefit or level of benefit payment. The State may reduce or eliminate coverage for types of benefits or levels of benefit payments for retired vested employees only if it makes the same or substantially similar reductions for active employees. [2003, c. 673, Pt. DDDD, §1 (NEW).]

E. This subsection does not create an ancillary benefit within the meaning of the Constitution of Maine, Article IX, Section 18-A and may not be construed to create a claim against the assets of the Maine Public Employees Retirement System. [2003, c. 673, Pt. DDDD, §1 (NEW); 2007, c. 58, §3 (REV).]

F. The solemn contractual commitment provided in this subsection is void if a court of competent jurisdiction rules that this subsection creates an ancillary benefit within the meaning of the Constitution of Maine, Article IX, Section 18-A. [2003, c. 673, Pt. DDDD, §1 (NEW).]

[2003, c. 673, Pt. DDDD, §1 (NEW); 2007, c. 58, §3 (REV).]

13. Contract on pilot basis authorized. Notwithstanding the requirements of subsection 9, paragraph G, the State may enter into a contract on a pilot basis that does not adhere to any geographic access requirements set forth in Title 24-A or rules adopted by the Superintendent of Insurance. The department shall report annually beginning January 15, 2006 to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters on its progress in establishing and operating a pilot program pursuant to this subsection.

[2005, c. 12, Pt. NNN, §1 (NEW).]

14. Employees eligible for Medicare. Notwithstanding subsection 7, if an active employee eligible for Medicare elects to enroll in Medicare, the State shall pay 100% of the employee's share of the premiums for Medicare Part B until such time as the employee enrolls as an eligible retiree pursuant to this section.

[2009, c. 456, §1 (NEW).]

15. Provider profiling programs. Notwithstanding subsection 10, the requirements of Title 24-A, sections 2694-A and 4303-A apply to any provider profiling program, as defined in Title 24-A, section 4301-A, subsection 16-A, developed by the commission.

[2013, c. 383, §1 (NEW).]

SECTION HISTORY

1967, c. 543, (NEW). 1969, c. 588, §§1,2 (AMD). 1971, c. 544, §11 (AMD). P&SL 1973, c. 625, §19 (AMD). P&SL 1975, c. 90, §§T1, 2 (AMD). 1975, c. 771, §52 (AMD). 1979, c. 653, (AMD). 1981, c. 178, (AMD). 1981, c. 270, §1 (AMD). 1983, c. 692, §§1,2 (AMD). 1985, c. 295, §2 (AMD). 1985, c. 391, §§1-4,7 (AMD). 1985, c. 507, §2 (AMD). 1985, c. 609, (AMD). 1985, c. 693, §12 (AMD). 1985, c. 695, §§4-7 (AMD). 1985, c. 785, §§A30,31 (AMD). 1987, c. 221, §§1-3 (AMD). 1987, c. 402, §A14 (AMD). 1987, c. 731, §§2-5 (AMD). 1987, c. 735, §§5,6 (AMD). 1987, c. 769, §A11 (AMD). 1989, c. 443, §6 (AMD). 1989, c. 483, §A8 (AMD). 1989, c. 502, §A12 (AMD). 1989, c. 776, §1 (AMD). RR 1991, c. 2, §7 (COR). 1991, c. 527, §§1,2 (AMD). 1991, c. 780, §§Y23,24 (AMD). 1991, c. 885, §D2 (AMD). 1993, c. 16, §§1,2 (AMD). P&SL 1993, c. 67, §1 (AMD). 1993, c. 410, §§L9-11 (AMD). 1995, c. 368, §§G1-4 (AMD). 1997, c. 24, §C1 (AMD). 1997, c. 80, §§1-4 (AMD). 1997, c. 455, §§2,3 (AMD). 1997, c. 652, §§1,2 (AMD). 1997, c. 652, §4 (AFF). 1997, c. 763, §1 (AMD). 1997, c. 763, §7 (AFF). 1999, c. 152, §§E1,2 (AMD). RR 2001, c. 1, §7 (COR). 2001, c. 239, §1 (AMD). 2001, c. 239, §5 (AFF). 2001,

c. 341, §1 (AMD). 2001, c. 374, §1 (AMD). 2001, c. 439, §§XX1-5 (AMD). 2001, c. 641, §1 (AMD). 2001, c. 667, §§E1-3 (AMD). 2003, c. 20, §OO2 (AMD). 2003, c. 20, §OO4 (AFF). 2003, c. 214, §1 (AMD). 2003, c. 348, §1 (AMD). 2003, c. 673, §DDDD1 (AMD). 2003, c. 689, §B6 (REV). 2005, c. 12, §NNN1 (AMD). 2005, c. 21, §1 (AMD). 2005, c. 67, §1 (AMD). 2005, c. 279, §1 (AMD). 2005, c. 636, §§A1,2 (AMD). 2007, c. 58, §3 (REV). 2007, c. 134, §1 (AMD). RR 2009, c. 1, §5 (COR). 2009, c. 213, Pt. GG, §§1-3 (AMD). 2009, c. 233, §1 (AMD). 2009, c. 456, §1 (AMD). 2009, c. 571, Pt. JJJ, §1 (AMD). 2009, c. 571, Pt. NN, §1 (AMD). RR 2011, c. 1, §4 (COR). 2011, c. 1, Pt. FF, §1 (AMD). 2011, c. 67, §1 (AMD). 2011, c. 380, Pt. V, §1 (AMD). 2011, c. 380, Pt. V, §7 (AFF). 2011, c. 438, §§1-4 (AMD). 2011, c. 514, §1 (AMD). 2011, c. 540, §1 (AMD). 2011, c. 540, §3 (AFF). 2013, c. 276, §§1, 2 (AMD). 2013, c. 368, Pt. H, §1 (AMD). 2013, c. 383, §1 (AMD).

§285-A. STATE EMPLOYEE HEALTH COMMISSION

1. Establishment. The State Employee Health Commission is established to serve as trustee of the group health plan in this subchapter and to advise the Executive Director of Health Insurance and the Director of the Bureau of Human Resources on health insurance issues and the Director of the Bureau of Human Resources on issues concerning employee health and wellness and the State Employee Assistance Program.

[1991, c. 780, Pt. Y, §25 (AMD) .]

2. Membership. The State Employee Health Commission consists of 24 labor and management members as follows:

A. One labor member from each bargaining unit recognized under Title 26, chapter 9-B, appointed by the employee organization certified to represent the unit; [1991, c. 780, Pt. Y, §25 (AMD) .]

B. One labor member from the largest bargaining unit recognized under Title 26, chapter 14, appointed by the employee organization authorized to represent the unit; [1987, c. 731, §6 (NEW) .]

C. One labor member appointed by the retiree chapters of the Maine State Employees Association; [1987, c. 731, §6 (NEW) .]

C-1. One labor member from Maine Turnpike Authority employees appointed by the employee organization authorized to represent the employees; [1997, c. 77, §1 (NEW) .]

C-2. One labor member from Maine Public Employees Retirement System employees, appointed by the employee organization authorized to represent the employees; [2001, c. 636, §1 (NEW); 2007, c. 58, §3 (REV) .]

C-3. One labor member from Maine Maritime Academy employees, appointed by the employee organization authorized to represent the employees; [2009, c. 64, §1 (NEW) .]

D. Four management members appointed by the Commissioner of Administrative and Financial Services; [1991, c. 780, Pt. Y, §25 (AMD) .]

E. One management member appointed by the Court Administrators; [1993, c. 68, §1 (AMD) .]

F. The Executive Director of Health Insurance, ex officio; [1995, c. 97, §1 (AMD) .]

G. One member representing retirees appointed by the Maine Association of Retirees; [1995, c. 97, §1 (AMD) .]

H. One labor member from the Maine Community College System faculty or administrative unit, appointed by the employee organization authorized to represent the units; [1997, c. 77, §1 (AMD); 2003, c. 20, Pt. OO, §2 (AMD); 2003, c. 20, Pt. OO, §4 (AFF).]

I. One management member from the Maine Community College System appointed by the President of the Maine Community College System; [2001, c. 636, §1 (AMD); 2003, c. 20, Pt. OO, §2 (AMD); 2003, c. 20, Pt. OO, §4 (AFF).]

J. One management member appointed by the Executive Director of the Maine Turnpike Authority; [2009, c. 64, §1 (AMD).]

K. One management member appointed by the Executive Director of the Maine Public Employees Retirement System; and [2009, c. 64, §1 (AMD).]

L. One management member appointed by the President of the Maine Maritime Academy. [2009, c. 64, §1 (NEW).]

All appointed or elected members serve at the pleasure of their appointing or electing authorities.

[2009, c. 64, §1 (AMD) .]

3. Voting. All votes of the commission must be one vote cast by labor and one vote cast by management. The votes must be cast by the labor cochair who must be chosen by the labor members, and the vote must represent the majority opinion of the labor members of the commission, and by the management cochair who is the Director of the Bureau of Human Resources or the director's designee.

[1991, c. 780, Pt. Y, §25 (AMD) .]

SECTION HISTORY

1987, c. 731, §6 (NEW). 1989, c. 483, §A9 (AMD). 1989, c. 776, §2 (AMD). 1991, c. 528, §III2 (AMD). 1991, c. 528, §RRR (AFF). 1991, c. 591, §III2 (AMD). 1991, c. 780, §Y25 (AMD). 1993, c. 68, §1 (AMD). 1995, c. 97, §1 (AMD). 1997, c. 77, §1 (AMD). 2001, c. 636, §1 (AMD). 2003, c. 20, §OO2 (AMD). 2003, c. 20, §OO4 (AFF). 2007, c. 58, §3 (REV). 2009, c. 64, §1 (AMD).

§286. ADMINISTRATION

The Commissioner of Administrative and Financial Services has responsibility for the state employee health insurance program through the Division of State Employee Health Insurance that is established as part of the organization of the Bureau of Human Resources. The division is headed by the Executive Director of Health Insurance. The executive director has responsibility for the daily operation of this program and for the development and maintenance of programs that promote the health and safety of the state employees. Program services must be administered through offices, systems, consultants and staff necessary to provide cost-effective, accessible and responsive services to eligible employees and retirees. Administration of the program must be consistent with rules adopted by the State Employee Health Commission. The executive director and the staff of the state employee health insurance program are appointed in accordance with the Civil Service Law. [1991, c. 780, Pt. Y, §26 (AMD).]

Appeals by eligible employees or retirees shall be to hearing officers designated by the commission. [1987, c. 731, §7 (NEW).]

The cost of administration of the state employee health insurance program shall be funded from an administrative allowance to be negotiated by the commission with the health benefit carrier or carriers. Indirect costs may not be allocated to the program. [1987, c. 731, §7 (NEW).]

The commissioner shall establish the Accident, Sickness and Health Insurance Internal Service Fund through the State Controller in which health insurance and dental insurance premiums collected from state departments and agencies and other plan participants, premium dividends, return of premiums resulting from risk reduction programs and any other receipts must be deposited to be used for the purposes of the state employee health insurance program. The fund is a continuing fund and may not lapse. Interest earned from investment of the fund shall be credited to the fund. [1999, c. 731, Pt. M, §1 (AMD).]

An annual report shall be prepared for the Governor concerning the number of participants, premiums charged, utilization of benefits and operating costs. The report shall also include recommendations regarding future operation of the program. [1987, c. 731, §7 (NEW).]

A reserve fund, administered by the Executive Director of Health Insurance and the Director of the Bureau of Human Resources with approval of the Commissioner of Administrative and Financial Services, is created to protect the program from unexpected losses and self-insured losses and related expenses incurred in the provision of health and dental benefits for the eligible participants. The fund is a continuing fund and may not lapse. The Treasurer of State shall invest the fund. All proceeds of these investments accrue to the fund. [1991, c. 780, Pt. Y, §27 (AMD).]

The reserve fund is capitalized by money from premium payments and by legislative appropriation, payments from state departments and agencies and by such other means as the Legislature may approve. All money in the fund is deemed to be the commingled assets of all the covered employees and must be used only for the purposes of this section. [1989, c. 776, §3 (NEW).]

SECTION HISTORY

1967, c. 543, (NEW). 1979, c. 657, (RPR). 1985, c. 785, §B16 (AMD). 1987, c. 731, §7 (RPR). 1989, c. 776, §3 (AMD). 1991, c. 528, §III3 (AMD). 1991, c. 528, §RRR (AFF). 1991, c. 591, §III3 (AMD). 1991, c. 780, §§Y26,27 (AMD). 1999, c. 731, §M1 (AMD).

§286-A. BUREAU OF HUMAN RESOURCES' STATE EMPLOYEE HEALTH DEDICATED REVENUE ACCOUNT

The Bureau of Human Resources' State Employee Health Dedicated Revenue Account is established to include allocations made to the bureau, funds transferred to the bureau from within the department, funds from the administration allowance provided in section 286, funds from the reserve fund provided in section 1731, funds received for special services provided to state agencies and employees and funds from operational charges levied upon state agencies. The cost of administration of the State Employee Assistance Program, the State Employee Health Program and the state employee workers' compensation unit must be funded from this account. [1991, c. 780, Pt. Y, §28 (AMD).]

State agency operational charges are a per employee fee paid by each agency in the same manner as premiums for state employee health insurance. With the exception of the Legislature, the per employee fee must be paid by all state agencies that have employees who are eligible to participate in the state employee health insurance program. The State Budget Officer shall work with state agencies to budget the funds necessary for the purposes of this paragraph. The Director of the Bureau of Human Resources shall recommend a fee to the Commissioner of Administrative and Financial Services. The director may establish a proportional fee for agencies outside of the Executive Department to reflect those programs utilized by such agencies. The rationale for the recommended fee must be well documented and include the program costs to be met by the fee. The commissioner shall provide a final recommended fee to the Governor. The Governor shall determine the per employee fee to be included in the normal budget process. [1991, c. 780, Pt. Y, §28 (AMD).]

SECTION HISTORY

1991, c. 528, §III4 (NEW). 1991, c. 528, §RRR (AFF). 1991, c. 591, §III4 (NEW). 1991, c. 780, §Y28 (AMD).

§286-B. IRREVOCABLE TRUST FUNDS FOR OTHER POST-EMPLOYMENT BENEFITS

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Retiree health benefits" means health benefits as determined from time to time by the State Employee Health Commission pursuant to section 285. [2007, c. 240, Pt. RRR, §1 (NEW).]

B. "Investment trust fund" means the Retiree Health Insurance Post-employment Benefits Investment Trust Fund established under section 17432. [2007, c. 240, Pt. RRR, §1 (NEW).]

C. "Irrevocable trust funds" means the Irrevocable Trust Funds for Other Post-employment Benefits established under subsection 2. "Irrevocable trust funds" includes the state employee plan, the teacher plan and the first responder plan. [2011, c. 380, Pt. Y, §1 (AMD).]

D. "State employee plan" means the irrevocable trust fund established for eligible participants described in section 285, subsection 1-A. [2011, c. 380, Pt. Y, §1 (NEW).]

E. "Teacher plan" means the irrevocable trust fund established for eligible participants described in Title 20-A, section 13451, subsections 2, 2-A, 2-B and 2-C. [2011, c. 380, Pt. Y, §1 (NEW).]

F. "First responder plan" means the irrevocable trust fund established for eligible participants described in section 285, subsection 11-A. [2011, c. 380, Pt. Y, §1 (NEW).]

[2011, c. 380, Pt. Y, §1 (AMD) .]

2. Establishment. The Irrevocable Trust Funds for Other Post-employment Benefits are established to meet the State's unfunded liability obligations for retiree health benefits. The state employee plan is established for eligible participants as described in section 285, subsection 1-A. The teacher plan is established for eligible participants, beginning July 1, 2011, as described in Title 20-A, section 13451, subsections 2, 2-A, 2-B and 2-C. The first responder plan is established for eligible participants as described in section 285, subsection 11-A. Funds appropriated for the irrevocable trust funds must be held in trust and must be invested or disbursed for the exclusive purpose of providing for retiree health benefits and may not be encumbered for, or diverted to, other purposes. Funds appropriated for the irrevocable trust funds may not be diverted or deappropriated by any subsequent action.

Annually, beginning with the fiscal year starting July 1, 2007, the Legislature shall appropriate funds to meet the State's obligations under any group health plan, policy or contract purchased by the State Employee Health Commission to provide retiree health benefits pursuant to section 285, subsection 5 and, if applicable, to meet the State's obligations under any self-insured group health plan pursuant to section 285, subsection 9. Unfunded liabilities may not be created except those resulting from experience losses. Unfunded liability resulting from experience losses must be retired over a period not exceeding 10 years.

Annually, beginning with the fiscal year starting July 1, 2009, the Legislature shall appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded liability for retiree health benefits for eligible participants in the state employee plan. The unfunded liability referred to in this section is that determined by the Department of Administrative and Financial Services, Office of the State Controller's actuaries and certified by the Commissioner of Administrative and Financial Services as of June 30, 2006.

Annually, beginning with the fiscal year starting July 1, 2011, the Legislature shall appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded liability for retiree health benefits for eligible participants in the first responder plan. The unfunded liability referred to in this section is that determined by the Department of Administrative and Financial Services, Office of the State Controller's actuaries and certified by the Commissioner of Administrative and Financial Services as of June 30, 2006.

Annually, beginning with the fiscal year starting July 1, 2015, the Legislature shall appropriate funds that will retire, in 30 years or less from July 1, 2007, the unfunded liability for retiree health benefits for eligible participants in the teacher plan. The unfunded liability referred to in this section is that determined by the Department of Administrative and Financial Services, Office of the State Controller's actuaries and certified by the Commissioner of Administrative and Financial Services as of June 30, 2006.

[2013, c. 368, Pt. H, §2 (AMD) .]

3. Trustees. The trustees of the irrevocable trust funds are as follows.

A. The Treasurer of State and the State Controller shall serve as trustees of the state employee plan.

[2011, c. 380, Pt. Y, §1 (NEW).]

B. An independent, nongovernmental entity with a physical presence in the State selected by the Treasurer of State with the advice of the State Controller and municipal, school management and education associations pursuant to the process set forth in Title 5, chapter 155 shall serve as the trustee of the teacher plan and the first responder plan. [2011, c. 380, Pt. Y, §1 (NEW).]

[2011, c. 380, Pt. Y, §1 (AMD) .]

4. Duties of the trustees. The trustees of the irrevocable trust funds have the following duties.

A. The trustees of the irrevocable trust funds shall calculate the funds necessary to fund the state employee health insurance program, including the unfunded liability as determined in accordance with subsection 2, on an actuarially sound basis and transmit those calculations to the State Budget Officer as required by chapter 149. The Legislature shall appropriate and transfer annually those funds the trustees of the irrevocable trust funds determine to be necessary under this subsection to fund the state employee health insurance program on an actuarially sound basis, including a contribution to the irrevocable trust funds. [2011, c. 380, Pt. Y, §1 (AMD).]

B. The trustees of the irrevocable trust funds biannually shall make, or cause to be made, valuations of the assets and liabilities of the state employee health insurance program. The trustees of the irrevocable trust funds shall select an independent actuary to make annual valuations of the assets and liabilities of the state employee health insurance program on the basis of actuarial assumptions adopted by the trustees of the irrevocable trust funds. The actuary may not be an officer or employee of the State. The goal of the actuarial assumptions is to achieve a fully funded state employee health insurance program. [2011, c. 380, Pt. Y, §1 (AMD).]

C. The trustees of the irrevocable trust funds annually shall conduct, or cause to be conducted, an audit of the irrevocable trust funds. The trustees of the irrevocable trust funds shall select an independent auditor to perform the audit. The auditor may not be an officer or employee of the State. [2011, c. 380, Pt. Y, §1 (AMD).]

D. The trustees of the irrevocable trust funds shall make the final decision on all matters pertaining to administration, actuarial assumptions, actuarial recommendations, funding, payout schedule and long-term time horizon for the irrevocable trust funds. [2011, c. 380, Pt. Y, §1 (AMD).]

[2011, c. 380, Pt. Y, §1 (AMD) .]

5. Investment of funds. The trustees of the investment trust fund are responsible for the investment and reinvestment of the funds appropriated to the irrevocable trust funds and transferred to the investment trust fund in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act under Title 18-B, subject to the guidelines set for the investment trust fund in section 17435.

[2011, c. 380, Pt. Y, §1 (AMD) .]

6. Report to Legislature. The trustees of the irrevocable trust funds shall make a written report to the joint standing committee of the Legislature having jurisdiction over appropriations matters and the joint standing committee of the Legislature having jurisdiction over labor matters on or before March 1st of each year that contains a discussion of any areas of policy or administration of the irrevocable trust funds that, in the opinion of the trustees of the irrevocable trust funds, should be brought to the attention of the joint standing committees; a discussion of the progress toward meeting the goals of this section; and a review of the status of the irrevocable trust funds.

[2011, c. 380, Pt. Y, §1 (AMD) .]

SECTION HISTORY

2007, c. 240, Pt. RRR, §1 (NEW). 2009, c. 213, Pt. N, §1 (AMD). 2011, c. 380, Pt. Y, §1 (AMD). 2013, c. 368, Pt. H, §2 (AMD).

Subchapter 3: HEALTH INSURANCE PROGRAM FOR RETIRED LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

§286-M. RETIRED COUNTY AND MUNICIPAL LAW ENFORCEMENT OFFICERS AND MUNICIPAL FIREFIGHTERS HEALTH INSURANCE PROGRAM

1. Program established. The Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program is established to provide health insurance coverage to retired county and municipal law enforcement officers and retired municipal firefighters.

[2005, c. 636, Pt. A, §3 (NEW) .]

2. Definitions. As used in this subchapter, the following terms have the following meanings.

A. "County or municipal law enforcement officer" means a person who by virtue of employment by a county or municipal government in the State is vested by law with the power to make arrests for crimes or serve criminal process, whether that power extends to all crimes or is limited to specific crimes. "County or municipal law enforcement officer" does not include a state or federal law enforcement officer, an attorney prosecuting for a county or municipal government or a reserve officer. [2005, c. 636, Pt. A, §3 (NEW) .]

B. "Dependent" means a spouse, an unmarried child under 19 years of age, a child who is a student under 23 years of age and financially dependent upon the enrollee, a child of any age who is disabled and dependent upon the enrollee or a domestic partner as defined in Title 24-A, section 2741-A. [2005, c. 636, Pt. A, §3 (NEW) .]

C. "Division" means the Department of Administrative and Financial Services, Division of State Employee Health Insurance. [2005, c. 636, Pt. A, §3 (NEW) .]

D. "Enrollee" means a county or municipal law enforcement officer or municipal firefighter who has enrolled in the program. [2005, c. 636, Pt. A, §3 (NEW) .]

E. "Fund" means the Firefighters and Law Enforcement Officers Health Insurance Program Fund established in subsection 7. [2005, c. 636, Pt. A, §3 (NEW) .]

F. "Group health plan" or "group health insurance plan" means any employer-sponsored group health insurance plan, whether self-insured or fully insured, that provides coverage to eligible employees, retirees and their dependents. [2005, c. 636, Pt. A, §3 (NEW) .]

G. "Majority multiple-employer welfare arrangement" means the multiple-employer welfare arrangement, as defined in Title 24-A, section 6601, subsection 5, in which the majority of state municipal government employees are enrolled as of the effective date of this section. [2005, c. 636, Pt. A, §3 (NEW) .]

H. "Municipal firefighter" means a person employed by a municipal fire department with the primary responsibility of aiding in the extinguishment of fires and includes a member of emergency medical services line personnel but does not include a member of a volunteer firefighter association. For the purposes of this paragraph, "emergency medical services line personnel" means persons who are career employees employed full-time by a public sector agency or employer and whose primary responsibility is to provide emergency medical services. [2005, c. 636, Pt. A, §3 (NEW).]

I. "Program" means the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program established in this section. [2005, c. 636, Pt. A, §3 (NEW).]

[2005, c. 636, Pt. A, §3 (NEW) .]

3. Eligibility for program coverage. A person must make contributions pursuant to subsection 8 for 60 months or the payment required pursuant to subsection 9 in order to be eligible for coverage under the program. In addition, a person must satisfy the eligibility criteria specified in this subsection as follows:

A. The person must:

- (1) Be at least 50 years of age;
- (2) Be a retired county or municipal law enforcement officer or a retired municipal firefighter;
- (3) Have, while actively employed as a county or municipal law enforcement officer or municipal firefighter, participated in the person's employer's health insurance plan or other fully-insured health insurance plan; and
- (4) Receive or be eligible to receive:
 - (a) If retired from at least 25 years of service in a position as a county or municipal law enforcement officer or a municipal firefighter, a retirement benefit from the Maine Public Employees Retirement System or a defined contribution retirement plan other than the United States Social Security Act; or
 - (b) If retired from less than 25 years of service in a position as a county or municipal law enforcement officer or a municipal firefighter, a retirement benefit from the Maine Public Employees Retirement System or a defined contribution retirement plan other than the United States Social Security Act, as long as the benefit provided is at least 50% of average final compensation, with no reduction for early retirement and with or without a cost-of-living adjustment; or [2005, c. 636, Pt. A, §3 (NEW); 2007, c. 58, §3 (REV) .]

B. The person must be a dependent of a person meeting the criteria of paragraph A. [2005, c. 636, Pt. A, §3 (NEW).]

[2005, c. 636, Pt. A, §3 (NEW); 2007, c. 58, §3 (REV) .]

4. Program administration. The program is administered by the division. The division shall:

A. Enter into administrative arrangements with fully insured health insurance product vendors to implement the purposes of this section; [2005, c. 636, Pt. A, §3 (NEW).]

B. Remit authorized premium subsidy payments for enrolled eligible persons and enrolled dependents to any fully insured group health insurance plans on a periodic basis, as established by agreements with the providers of those plans. The dollar value of the subsidy payment may vary with the premium cost of the benefit plan in which the enrollee participates; and [2005, c. 636, Pt. A, §3 (NEW).]

C. Adopt rules to implement the purposes of this section, including the determination of the program subsidy for enrollees pursuant to subsection 6. Rules adopted under this subsection are routine technical rules as defined in chapter 375, subchapter 2-A. [2005, c. 636, Pt. A, §3 (NEW).]

[2005, c. 636, Pt. A, §3 (NEW) .]

5. Enrollment. A county or municipal law enforcement officer, a municipal firefighter or a person retired from such a position is eligible to enroll in the program. An eligible person who fails to enroll in the program pursuant to this subsection is not otherwise eligible to enroll in the program and is not eligible for the premium subsidy provided pursuant to this section for enrollment in any other health plan. Notwithstanding the date of enrollment, insurance coverage is not effective until the date of retirement or July 1, 2007, whichever occurs later. Eligible persons may enroll themselves, their spouses and their dependents in the program during the following time periods:

A. When the effective date of hire of the eligible person is on or before November 1, 2006, the eligible person must enroll in the program before January 1, 2007, subject to the enrollment and eligibility requirements of the applicable group health plan; [2005, c. 636, Pt. A, §3 (NEW).]

B. When the effective date of hire of the eligible person is after November 1, 2006, the eligible person must enroll in the program no later than 60 days following the effective date of hire, subject to the enrollment and eligibility requirements of the applicable group health plan; or [2005, c. 636, Pt. A, §3 (NEW).]

C. Notwithstanding paragraphs A and B, when the eligible person, the eligible person's spouse or the eligible person's dependent experiences an involuntary loss of other health insurance coverage carried as of January 1, 2007 or 60 days following the date of the eligible person's hire, whichever is later, the eligible person may elect to enroll in the program no later than 60 days after the effective date of the loss of that coverage, subject to the enrollment and eligibility requirements of the applicable group health plan. Involuntary loss of coverage does not include a loss of coverage arising as a result of nonpayment of premiums. [2005, c. 636, Pt. A, §3 (NEW).]

[2005, c. 636, Pt. A, §3 (NEW) .]

6. Premiums; subsidy. Premiums for the program and the premium subsidy are subject to the provisions of this subsection. Premium subsidies are not provided for supplemental health insurance coverage.

A. An enrollee participating in the majority multiple-employer welfare arrangement is responsible for the premium payment associated with the cost of the majority multiple-employer welfare arrangement benefit option in which the enrollee is participating, to the extent such premium obligations exist following the application of any premium subsidy authorized by law. An enrollee who fails to remit the premium payments as established and required by the majority multiple-employer welfare arrangement must be disenrolled from the program. Beginning July 1, 2007, the State shall provide a premium subsidy for enrollees in the form of a direct payment to the majority multiple-employer welfare arrangement for each enrollee. The level of the subsidy must equal 45% of the individual premium cost for the enrollee and varies among enrollees depending upon the terms of the majority multiple-employer welfare arrangement coverage plan in which each enrollee is participating. Enrollees are responsible for the balance of the applicable individual premium, as well as the total cost of the premium for any applicable dependent coverage, and shall make payments directly to the majority multiple-employer welfare arrangement. [2005, c. 636, Pt. A, §3 (NEW).]

B. Enrollees retiring from counties or municipalities that do not participate in the majority multiple-employer welfare arrangement but who are eligible and elect to participate in that county's or municipality's fully insured health benefits plan are responsible for the premium payment associated with the cost of that plan, to the extent such premium obligations exist following the application of any premium subsidy authorized by law. An enrollee who fails to remit the premium payments as established and required by the fully insured plan must be disenrolled from the program. Beginning July 1, 2007, the State shall provide a premium subsidy for enrollees participating in fully insured health benefits plans

pursuant to this subsection. This subsidy must be made in the form of a direct payment to the enrollee's health benefits plan and must equal 45% of the individual premium cost for the enrollee or a dollar amount equivalent to the highest premium subsidy provided in accordance with paragraph A, whichever is less. A retiree electing to enroll a spouse or a dependent in the program is responsible for payment of 100% of such coverage in addition to that portion of the retiree's individual premium cost not contributed by the State. [2005, c. 636, Pt. A, §3 (NEW).]

[2005, c. 636, Pt. A, §3 (NEW) .]

7. Fund established. The Firefighters and Law Enforcement Officers Health Insurance Program Fund is established as a nonlapsing, dedicated account administered by the division. Money appropriated by law for the purpose of paying premium subsidies must be deposited in the fund. Premium dividends accruing to the State, return of premiums resulting from risk reduction programs, active employee contributions pursuant to subsection 8 and any other receipts must be deposited into the fund to be used for the purposes of the program. The fund is a pooled account. Individual law enforcement officers and firefighters do not have a right to money deposited in the fund except to the extent premium subsidies are available to program enrollees.

[2005, c. 636, Pt. A, §3 (NEW) .]

8. Employee contributions to the fund. The contributions of enrollees to the fund are governed by this subsection.

A. Beginning January 1, 2007, each enrollee who participates as an active employee in a retirement plan shall contribute 1.5% of that enrollee's gross wages to the fund. [2005, c. 636, Pt. A, §3 (NEW) .]

B. The employer of an enrollee required to contribute to the fund shall remit on a monthly basis that enrollee's contribution to the fund. [2005, c. 636, Pt. A, §3 (NEW) .]

[2005, c. 636, Pt. A, §3 (NEW) .]

9. Retirees without 5 years of contributions to fund. A person who retires without making 60 months of contributions to the fund but who meets the other eligibility criteria of subsection 3, referred to in this subsection as "the retiree," is eligible to participate pursuant to this subsection.

A. The retiree is eligible for coverage under the program upon enrollment. [2005, c. 636, Pt. A, §3 (NEW) .]

B. The retiree shall pay the dollar equivalent of the retiree's scheduled contributions based upon the following schedule:

- (1) A retiree who is at least 50 years of age and under 55 years of age shall pay 2% of that retiree's average final monthly compensation multiplied by 60;
- (2) A retiree who is at least 55 years of age and under 60 years of age shall pay 1.75% of that retiree's average final monthly compensation multiplied by 60; and
- (3) A retiree who is at least 60 years of age shall pay 1.5% of that retiree's average final monthly compensation multiplied by 60.

As used in this paragraph, "average final monthly compensation" means the average annual rate of earnable compensation, divided by 12, of a retiree during the 3 years of creditable service as a county or municipal law enforcement officer or municipal firefighter, not necessarily consecutive, in which the average annual rate of earnable compensation is highest or during the retiree's entire period of creditable service as a county or municipal law enforcement officer or municipal firefighter, if the period is less than 3 years. [2005, c. 636, Pt. A, §3 (NEW) .]

C. If the retiree has made contributions to the fund while employed as a county or municipal law enforcement officer or municipal firefighter, the retiree shall pay the difference between:

- (1) The total of the retiree's employee contributions required pursuant to paragraph B based on the retiree's age as of the date of retirement; and
- (2) The dollar equivalent of the retiree's scheduled contributions for 60 months pursuant to subsection 8. [2005, c. 636, Pt. A, §3 (NEW).]

D. The retiree shall make the payments required by paragraph B or C to the division within 12 months of enrollment in the program. A retiree who fails to make the required payment within 12 months of enrollment must be disenrolled from the program. [2005, c. 636, Pt. A, §3 (NEW).]

[2005, c. 636, Pt. A, §3 (NEW) .]

10. Coverage under the program. The benefits, copayments and deductibles under the program are determined by the fully insured health benefits plan in which the retired enrollee participates. Pursuant to the rules of the applicable plan, a retired enrollee is required to participate in the same health insurance plan as the active employees of the unit of government from which the enrolled person has retired. Participation in any qualified health insurance plan is subject to the rules of that plan.

[2005, c. 636, Pt. A, §3 (NEW) .]

11. Volunteer and call firefighters and reserve law enforcement officers. A member of a volunteer or call firefighters' association in this State, as well as a person serving as a county or municipal law enforcement officer on a reserve basis, is eligible to participate in the program of health benefits coverage established pursuant to the eligibility criteria and other provisions set forth in Title 24-A, chapter 87 if that person meets the eligibility requirements under that chapter.

[2005, c. 636, Pt. A, §3 (NEW) .]

12. Report. The division shall submit a report to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters in the Second Regular Session of the 124th Legislature, and biennially thereafter, on the status of the program, program participation and the financing of the program, including the status of the fund, expenditures from the fund, current and projected premium costs to the program and to program enrollees and a projection of funding needs for the next 5 years. The report must provide options, based on projections of future need, for changing the method of funding any state-paid premium subsidy, if such a subsidy is authorized by law, and employee contributions.

[2005, c. 636, Pt. A, §3 (NEW) .]

SECTION HISTORY

2005, c. 636, §A3 (NEW). 2007, c. 58, §3 (REV).

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